

## Message Text

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PAGE 01 QUITO 04660 152120Z

71

ACTION ARA-20

INFO OCT-01 AF-10 EUR-25 EA-11 NEA-14 ISO-00 CIAE-00

DODE-00 INR-11 NSAE-00 PA-04 RSC-01 USIA-15 PRS-01

SP-03 DRC-01 FEA-02 AEC-11 AID-20 CEA-02 CIEP-02

COME-00 EB-11 FPC-01 H-03 INT-08 L-03 NSC-07 OMB-01

PM-07 SAM-01 SCI-06 SS-20 STR-08 TRSE-00 FRB-03 /233 W

----- 125059

R 152015Z JUL 74

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 1751

INFO AMEMBASSY ABU DHABI

AMEMBASSY CARACAS

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

AMCONSUL GUAYAQUIL

LIMITED OFFICIAL USE QUITO 4660

E.O. 11652: N/A

TAGS: ENRG, EFIN, EC

SUBJECT: GOE REJECTS ALLEGED THREAT BY TREASURY UNDER SECRETARY  
BENNETT

REF: QUITO 3348

1. IN JULY 12 CONVERSATION WITH NEWSMEN, ACTING MINISTER  
NATURAL RESOURCES NEY MANCHENO DELIVERED A STATEMENT REJECTING  
ALLEGED THREAT CONTAINED IN TESTIMONY BEFORE HOUSE SUBCOM-  
MITTEE ON INTERNATIONAL FINANCE BY UNDER SECRETARY OF  
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PAGE 02 QUITO 04660 152120Z

TREASURY FOR MONETARY AFFAIRS JACK F. BENNETT. MANCHENO

REAFFIRMED GOE POSITION THAT DETERMINATION OF THE RATE OF PRODUCTION AND THE TAX REFERENCE PRICE OF PETROLEUM ARE THE EXCLUSIVE PREROGATIVE OF THE ECUADOREAN STATE. TESTIMONY BY UNDER SECRETARY BENNETT, HE ADDED, WAS A CLEAR EXAMPLE OF A NEOCOLONIALISM THAT HAD SEEMED A MATTER OF THE PAST. MANCHENO REITERATED THAT GOE HAS LIMITED CRUDE PRODUCTION TO 210,000 BPD FOR TECHNICAL REASONS HAVING TO DO WITH STRUCTURE OF THE PRODUCING FIELDS. IN WEEKEND PRESS, MANCHENO STATEMENT RECEIVED FRONT PAGE COVERAGE BY PRINCIPAL QUITO DAILIES BUT LESS PROMINENT TREATMENT BY GUAYAQUIL PRESS.

2. MANCHENO ADMITTED HE HAD NOT READ BENNETT TESTIMONY, BUT WAS REACTING TO EXCERPTS REPORTED IN PRESS. USIS IS DISTRIBUTING COPIES OF FULL TEXT OF TESTIMONY TO MANCHENO AND OTHER SELECTED GOE OFFICIALS.

3. COMMENT: A GOE RESPONSE TO PRESS VERSIONS OF BENNETT REMARKS WAS TO BE EXPECTED, AND MANCHENO STATEMENT FOR PUBLIC CONSUMPTION WAS NOT PARTICULARLY SHRILL. EMBASSY BELIEVES THAT FOR FINANCIAL REASONS, PARTICULARLY IN VIEW OF DAMAGE TO PIPELINE AND CONSEQUENT LOSS OF A MONTH'S REVENUE, GOE IS UNLIKELY TO LIMIT PETROLEUM PROJECTION FURTHER.  
BREWSTER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM PRODUCTION, PRESS COMMENTS, PRODUCTION CONTROLS, OIL FIELDS, THREATS, FOREIGN POLICY POSITION, TAX RATES, PRICE TRENDS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 JUL 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974QUITO04660  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740189-0680  
**From:** QUITO  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740748/aaaabpfo.tel  
**Line Count:** 86  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** QUITO 3348  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 21 MAR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <21 MAR 2002 by izenbei0>; APPROVED <13 MAY 2002 by golinofr>  
**Review Markings:**

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EO Systematic Review  
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**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GOE REJECTS ALLEGED THREAT BY TREASURY UNDER SECRETARY BENNETT  
**TAGS:** ENRG, EFIN, EC, TRSY, (BENNETT, JACK F), (MANCHENO, NEY)  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005